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Closed to the Public

*Public Utilities Commission of the State of California*

***Ratesetting Deliberative Meeting Agenda 71***

***Wednesday, June 1, 2016 1:00 p.m.***

***San Francisco, California***

**Commissioners**

**Michael Picker, President**

**Michel Peter Florio**

**Carla J. Peterman**

**Catherine J.K. Sandoval**

**Liane M. Randolph**

*This Ratesetting Deliberative Meeting will commence at the above date and time and may be continued from day to day up to the convening of the June 9, 2016 Business Meeting. This Ratesetting Deliberative Meeting is being held pursuant to Pub. Util. Code § 1701.3(c).*

*Website: <http://www.cpuc.ca.gov>*

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Ratesetting Deliberative Meeting

1:00 p.m.

Conference Room 5305

505 Van Ness Avenue

San Francisco, California

For further information contact the Public Advisor  
Phone: (415) 703-2074    E-mail: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

## **AGENDA**

*(Agenda identification (ID) number corresponds to the June 9, 2016, Business Meeting Agenda)*

**NOTE: *Ex Parte* Communications are prohibited on Agenda ID numbers 14878 and 14879 from the day of the Ratesetting Deliberative Meeting through the conclusion of the Business Meeting at which a vote on the Proposed Decision is scheduled. Rule 8.3(c)(4).**

**14878 Pacific Gas and Electric Company's 2015-2017 Revenue Requirements for Gas Transmission and Storage Services**

A13-12-012, I14-06-016

Application of Pacific Gas and Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2015 – 2017.

**PROPOSED OUTCOME:**

- Adopts revenue requirement for 2015 of \$944.984 million (an increase of 32.1% over 2014 rates) for Pacific Gas and Electric Company (PG&E) to provide gas transmission and storage services.
- Denies PG&E's request to create a two-way balancing account to track costs associated with its Transmission Integrity Management Program.
- Denies PG&E's proposal to equalize the backbone rates for the Baja and Redwood paths.
- Denies Dynegy Inc.'s and Northern California Generation Coalition's proposal for a single Electric Generator rate.
- Denies PG&E's and Commercial Energy's proposals to change the pipeline capacity allocation methodology.
- Denies Core Transport Agent Consortium's (CTAC) and Commercial Energy's proposals that PG&E no longer procure intrastate capacity on behalf of the Core Transport Agents (CTAs).
- Adopts CTAC's and Commercial Energy's proposals that PG&E no longer procure storages services on behalf of the CTAs and sets a 10-year transition period.
- Finds that CTAs are not "third parties" with respect to CTA customers and directs PG&E and the CTAs to revise Form 79-845A.

- Presents illustrated rates based on the adopted 2015 revenue requirement.
- Proposes allocation of \$850 million disallowance adopted in Decision 15-04-024, along with resulting revenue and illustrative rates if the proposed allocation is approved by parties.

**SAFETY CONSIDERATIONS:**

- Funding adopted in this decision will allow PG&E to operate its gas transmission and storage system reliably and safely.

**ESTIMATED COST:**

- \$944.984 million to be recovered from PG&E ratepayers in 2015, less the revenue requirement associated with the \$850 million disallowance.

(Comr Peterman – Judge Yip-Kikugawa)

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=161671621>

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

This matter may be considered during the Ratesetting Deliberative Meeting.

**14879 COMMISSIONER PETERMAN'S ALTERNATE TO ITEM 14878**

A13-12-012, I14-06-016

Application of Pacific Gas and Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2015 – 2017.

**PROPOSED OUTCOME:**

- Adopts revenue requirement for 2015 of \$944.984 million (an increase of 32.1% over 2014 rates) for Pacific Gas and Electric Company (PG&E) to provide gas transmission and storage services.
- Denies PG&E's request to create a two-way balancing account to track costs associated with its Transmission Integrity Management Program.
- Denies PG&E's proposal to equalize the backbone rates for the Baja and Redwood paths.
- Denies Dynegy Inc.'s and Northern California Generation Coalition's proposal for a single Electric Generator rate.
- Denies PG&E's and Commercial Energy's proposals to change the pipeline capacity allocation methodology.
- Denies Core Transport Agent Consortium's (CTAC) and Commercial Energy's proposals that PG&E no longer procure intrastate capacity on behalf of the Core Transport Agents (CTAs).
- Adopts CTAC's and Commercial Energy's proposals that PG&E no longer procure storages services on behalf of the CTAs and sets a 10-year transition period.
- Finds that CTAs are not "third parties" with respect to CTA customers and directs PG&E and the CTAs to revise Form 79-845A.
- Presents illustrated rates based on the adopted 2015 revenue requirement.
- Proposes allocation of \$850 million disallowance adopted in Decision 15-04-024, along with resulting revenue and illustrative rates if the proposed allocation is approved by parties.
- Directs PGE to report on its gas storage risk management and safety initiatives within 60 days of the effective date of the decision.

**SAFETY CONSIDERATIONS:**

- Funding adopted in this decision will allow PG&E to operate its gas transmission and storage system reliably and safely.
- PG&E's report on its gas risk management and safety initiatives will allow the Commission to evaluate any needed measures to ensure PG&E gas storage facilities are operated safely.

**ESTIMATED COST:**

- \$944.984 million to be recovered from PG&E ratepayers in 2015, less the revenue requirement associated with the \$850 million disallowance.

(Comr Peterman)

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=161671524>

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

This matter may be considered during the Ratesetting Deliberative Meeting.

**Commissioner Michel Peter Florio recused himself from his participation in this proceeding and will not attend the June 1, 2016 Ratesetting Deliberative Meeting. Commissioner Catherine J.K. Sandoval will not be present in San Francisco for the June 1, 2016 Ratesetting Deliberative Meeting. Therefore, pursuant to Government Code Section 11123(b)(1), NOTICE IS HEREBY GIVEN that Commissioner Catherine J.K. Sandoval will participate by teleconference in the Ratesetting Deliberative Meeting from the following publicly accessible location:**

**Commissioner Catherine J.K. Sandoval  
Long Beach City Hall  
333 W Ocean Blvd.  
Long Beach CA 90802**